

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF CHICAGO
AND
THE CHICAGO TRANSIT AUTHORITY
REGARDING THE MUNICIPAL IDENTIFICATION CARD PROGRAM

This Intergovernmental Agreement is effective this 13th day of September, 2017 (the "Effective Date"), by and between the City of Chicago, an Illinois municipal corporation ("CITY"), acting through its Office of the City Clerk ("OCC"), having offices located at 121 North LaSalle Street, Chicago, Illinois 60602, and the Chicago Transit Authority, an Illinois municipal corporation ("CTA"), having offices located at 567 West Lake Street, Chicago, Illinois 60661.

WHEREAS, the CITY is the third largest city in the United States of America; and

WHEREAS, the CITY desires to make a government-issued form of identification ("Muni ID Card") available to its residents; and

WHEREAS, the CTA provides public transportation to the Chicago metropolitan area and has implemented an Open Standards Fare System ("OSFS") that includes CTA-issued fare media cards; and

WHEREAS, the CITY and the CTA share the desire to increase access to convenient, public transportation for CITY residents as well as to increase ridership for the CTA; and

WHEREAS, the CITY and the CTA desire to use the CTA's OSFS fare media card as the medium for the Muni ID Card so that Muni ID Card holders can load transit value or transit passes on their Muni ID Cards, if they so desire, in order to access the CTA system; and

WHEREAS, the CITY and the CTA desire to develop and maintain systems and procedures related to use of the Muni ID Cards that fulfill both the CITY and the CTA business requirements and that protect the confidential data of both parties and the Muni ID Card holders;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein, agree as follows:

1. Definitions

As used in this Agreement, the following terms will have the following meanings:

"Muni ID Card" has the meaning set forth above.

"Introductory Period" means the period during which CITY will introduce the Muni

ID Card and promote its adoption by residents.

"OSFS Card" means a contactless account-based smartcard issued by the CTA and the OSFS Vendor that may be used to pay fares on public transportation provided by CTA and Pace.

"OSFS System" means the Open Standards Fare System used by customers to pay fares on CTA and Pace and commonly referred to as Ventra™.

"OSFS Vendor" means Cubic Transportation Systems.

"Program" means the program described in this Agreement to implement the use of OSFS Cards by the CITY for its Muni ID Card.

"Transit Account" means the account that each OSFS Card is attached to for purposes of housing, managing and funding stored transit value.

2. OSFS Card

a. The OSFS Cards that will be issued by the CTA or the OSFS Vendor to CITY to be used as Muni ID Cards in the Program will be delivered to CITY blank, , and is white on both sides, except for required OSFS System preprinting on the back. CITY will be responsible for printing the Ventra and CITY logos on this card; no printing will be provided by the CTA or the OSFS Vendor except as described above. As provided in 3(c) below, CTA hereby grants CITY a license to use the Ventra logo for this purpose.

b. The CITY will reimburse the CTA its cost for OSFS Cards ordered and received by the CITY. Any increases in CTA's cost will be documented cost increases imposed upon the CTA by the OSFS Vendor.

c. All OSFS Card orders will be shipped to the CITY, or a designated CITY recipient, with a unique tracking number. The CITY will otherwise reimburse the CTA for all shipping costs for the delivery of said OSFS Cards paid by CTA and will promptly notify the CTA via electronic mail when a shipment is received. The CITY will also notify the CTA by electronic mail in the event an anticipated shipment of OSFS Cards is not received. All notifications will be sent to the CTA Program Manager identified herein.

d. The CITY, acting through the OCC, is responsible for distribution of the Muni ID Cards to CITY residents who are eligible as determined by the CITY. If a resident who has received a Muni ID Card is later determined to be ineligible and the card is confiscated or voided by the CITY, the CTA will not be responsible for refunding any value in the Transit Account associated with that card.

e. If a Muni ID Card is used as a Ventra card, then the Ventra Terms and Conditions and Privacy Policy will apply to the use of the card for transit purposes. If a Muni ID Card is lost, stolen or broken, the CTA will not be responsible for issuance of a replacement Muni ID Card.

If the City issues a replacement Muni ID Card, the CTA will not be responsible for transferring any Transit Account associated with the lost, stolen or broken Muni ID Card to the replacement Muni ID Card unless the cardholder has registered both the original and the replacement Muni ID Card with the OSFS Vendor, in which case transfer of the Transit Account will be administered pursuant to the Ventra Terms and Conditions and Privacy Policy.

3. Program

- a. Each party agrees that its name may be used in any marketing or advertising materials prepared by the other party to promote the Program, provided that such materials have been approved by each party's communications department prior to public distribution.
- b. CITY will take appropriate measures to provide information about the Program to residents, including information about activating the OSFS features of the Muni ID Card and registering the card with the OSFS Vendor. The CITY agrees to distribute, or permit the CTA to distribute, marketing materials prepared by the CTA or the OSFS Vendor that explain the benefits and uses of activating a Transit Account associated with the Muni ID Card. CITY shall have the right to exercise its reasonable discretion in determining if any such marketing materials are inappropriate for distribution by CITY.
- c. CTA grants the CITY a non-exclusive, worldwide, non-transferable, non-assignable, royalty-free license to use the Ventra brand and logo in connection with the Program during the Term of this Agreement, including in its marketing materials promoting the use of the Muni ID Card and the CTA transportation system. CITY acknowledges that the Ventra brand and logos are the exclusive right and property of the CTA, with the CTA maintaining full control of the brand during the Term of this Agreement and for as long as the Ventra brand is commonly used. The CTA retains its rights to determine when the CITY's usage of the Ventra brand and logo exceeds the license provided in this Agreement.
- d. CITY will be responsible for all costs associated with administering the Program including, but not limited to, certifying eligibility for, processing applications for, printing and issuing Muni ID Cards.
- e. CITY agrees that, subject to the confidentiality obligations specified in this Agreement, the CITY will provide the CTA such data that is necessary for managing the CTA's obligations in the Program.

4. CTA Obligations

- a. The CTA agrees to sell to the CITY adequate quantities of OSFS Cards for the Program to ensure that the CITY residents who are eligible for a Muni ID Card, as determined by the CITY, will be issued a Muni ID Card in a timely manner.
- b. The CTA and the OSFS Vendor will provide the CITY with documentation, including serial numbers and expiration dates, via secure FTP or electronic mail when OSFS Cards are shipped by the OSFS Vendor. In the event that the shipment does not arrive at the

CITY at the anticipated time for delivery, the CTA or its agent will contact the shipping company to determine the status of the shipment. If the CTA notifies the CITY that the shipment is lost, the CTA will take the appropriate actions to ensure that the lost OSFS Cards cannot be used elsewhere and will ship replacement cards to the CITY as quickly as possible. Replacement of a large number of cards may take up to sixteen (16) weeks. In no event will the CITY be held liable to the CTA or to the OSFS Vendor for any fees or costs arising from those OSFS Cards that the CTA has determined to be lost in shipment.

c. [Reserved.]

d. The CTA will give reasonable notice to the CITY of any substantive changes to the OSFS System that would have an impact on the Muni ID Cards, including but not limited to fare and fee increases. In particular for such expenses as fare and fee increases, reasonable notice shall be considered as much notice as possible without breaking confidentiality agreements and shall not be limited to a certain number of days before the increase takes effect.

e. The CTA may, in its sole discretion, make changes in the frequency and/or hours of service available on the CTA's public transportation system during the term of this Agreement. Neither the CITY nor any Muni ID Card holder will be entitled to any compensation, including a refund of all or a portion of the value stored in a Transit Account, if transportation service is delayed or is not provided. To the extent possible, the CTA will notify the CITY not less than ninety (90) days in advance of any service changes to its transportation system.

f. In the event that either party terminates this Agreement, any Muni ID Cards that have been properly issued by the CITY will remain effective until their expiration date, provided that the CTA will be under no obligation to issue replacement OSFS Cards or take any other actions required by this Agreement after its termination.

g. [Reserved.]

h. The CTA agrees that its name may be used in any marketing or advertising materials prepared by CITY to promote the Program after written approval of such materials by the CTA Program Manager identified in section 13 hereof. The CTA will not use the name or likeness of any resident participating in the Program in any marketing or advertising materials or in any other manner without the prior express written consent of the resident, if he or she is of majority age, or, if a minor, his/her parent or legal guardian.

i. In the event CITY notifies the CTA that any OSFS Cards delivered to it by the CTA or the OSFS Vendor are defective, the CTA will replace such cards at no cost to CITY. CITY will return the cards it has stated are defective to the CTA for testing. In the event the CTA determines that the returned cards are not defective, it will return said cards to CITY, which will pay the CTA for said cards.

5. [Reserved.]

6. Confidential Information, Dissemination of Information, Ownership, survival:

a. Confidential Information: CTA and CITY may have access to or receive certain information from each other that is not generally known to others ("Confidential Information"). Both CTA and CITY agree not to use or disclose any of the other party's Confidential Information or any records, reports, or documents prepared or generated as a result of this Agreement without the prior written consent of the party owning that information or its designee. Notwithstanding and without limiting the foregoing, the Ventra Terms and Conditions and Privacy Policy will supersede any provisions of this Agreement with respect to those Muni ID Cards that are used for transit purposes.

b. Dissemination of Information: Neither CITY nor the CTA shall issue publicity news releases or grant press interviews related to the Program, except as may be agreed by both parties, during or after the Term of this Agreement, nor shall either party otherwise disseminate any information regarding the Program without the prior written consent of the other party, unless required by law. In the event that either party is presented with a request for documents by any administrative agency or court with a *subpoena duces tucem* regarding any Confidential Information, records, data, or work product which may be in that party's possession as a result of this Agreement, such party will immediately give notice to the other party and its General Counsel with the understanding that the such party will have the opportunity to contest such process by any means available to it prior to submission of any documents to a court or other third party. Neither party will be obligated to withhold delivery of documents beyond the time ordered by a court of law or administrative agency, unless the request for production or *subpoena* is quashed or withdrawn, or the time to produce is otherwise extended. Both parties understand that information concerning the Agreement may be subject to public disclosure pursuant to the Illinois Freedom of Information Act (5 ILCS 140/1) and any other comparable state and federal laws.

c. Ownership: CITY and CTA shall be considered joint owners of any records, reports, documents, and materials that are jointly prepared or generated as a result of this Agreement. Each party shall have full rights to ownership of such jointly prepared or generated material, subject to restrictions on any Confidential Information of a party contained therein.

d. Personnel, Staff and Agents: Each party agrees to cause its personnel, staff and subcontractors, if any, to undertake the same obligations of confidentiality agreed to by the parties under this Agreement.

e. CITY Data: The CITY may have additional information that it protects as "Highly Confidential Information." Such information may include such information as the CITY deems necessary to determine the eligibility of an applicant for issuance of a Muni ID Card. CTA shall not have access to this Highly Confidential Information. If the CTA requires access to this Highly Confidential Information during the Term of this Agreement, the Program Managers (defined below) shall meet to agree to a written protocol governing such access.

f. Survival: The provisions of this Section shall survive the termination or expiration of the Agreement.

7. Payment

CTA or the OSFS Vendor will invoice (via electronic statement and paper statement) CITY for OSFS Cards delivered to CITY on a time period to be agreed upon by the Program Managers. CITY will pay net thirty (30) days of invoice via ACH transfer. Any late payments will be subject to State of Illinois Prompt Payment Act.

8. Agreement Oversight

The Agreement will be jointly managed by CITY and CTA. The CTA's Director of Revenue or designee and the OCC's Chief Legal Counsel, Natashee Scott, or designee will act as program managers (collectively, the "Program Managers") for their respective entities, and will meet and share information as needed. They also have the authority to make day-to-day operational changes, which do not materially affect the purpose, cost or scope of this Agreement.

In the event the Program Managers cannot resolve a disputed issue, the issue will be brought to attention of each Program Manager's supervisor for resolution. If the issue cannot be resolved by the two supervisors, CTA will bring the issue to its President and CITY will bring the issue to the City Clerk.

9. Tax Exemptions

The federal excise tax does not apply to the CITY by virtue of Exemption Certificate No. 36-6005820, and the State of Illinois sales tax does not apply to the CITY by virtue of Exemption No. 36-6005820. The CTA is exempt from Retailers' Occupation Tax, Service Occupation Tax, Use Tax and Service Use Tax by virtue of Exemption No. E9978-2987-06. Nevertheless, should taxes be imposed upon any goods or services provided by CTA under this Agreement, CTA will be responsible for payment thereof.

10. [Reserved.]

11. General Terms and Conditions

a. Warranties and Representations

In connection with the execution of this Agreement, the CITY and the CTA each warrant and represent that it is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated herein.

b. Non Liability of Public Officials

No official, employee or agent of the CITY or the CTA will be charged personally by the other party with any liability or expense of defense or be held personally liable under any term or provision of this Agreement or because of the CITY's or the CTA's execution or

attempted execution or because of any breach hereof.

c. Non-appropriation

Expenditures not appropriated by CITY in its current fiscal year budget are deemed to be contingent liabilities only and are subject to appropriation in subsequent fiscal year budgets. In the event no funds or insufficient funds are appropriated and budgeted in any subsequent fiscal period by the CITY for performance under the Agreement, the CITY shall notify the CTA and the Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under the Agreement are exhausted. Payments for Services completed to the date of notification shall be made to the CTA except that no payment shall be made or due to the CTA or under the Agreement beyond those amounts appropriated and budgeted by the CITY to fund payments under the Agreement.

d. Entire Agreement

This Agreement, and any exhibits attached and incorporated hereto, will constitute the entire Agreement between the parties and no other warranties, inducements, considerations, promises or interpretations, which are not expressly addressed herein, will be implied or impressed upon this Agreement.

e. Counterparts

This Agreement may be comprised of several identical counterparts, each of which may be fully executed by the parties hereto and, once executed, will be deemed an original having identical legal effect. A signature delivered by facsimile or other electronic means shall be considered binding for both parties.

f. Amendments

All modifications to the terms of this Agreement shall be in writing and shall contain a detailed description of the change in services, obligations or other changes that are within the current scope of the Agreement. Material modifications to the terms of this Agreement shall require a written amendment to the Agreement. Material revisions include expanding the scope of services beyond the authorized scope of services or extending the Term beyond the maximum term as described in the authorizing Chicago Transit Board ordinance. No change, amendment, modification or discharge of this Agreement, or any part hereof, will be valid unless in writing, and signed by the authorized officer(s) of the CTA and the CITY or their respective successors and assigns as set forth above.

g. Severability

If any provision of this Agreement is held or deemed to be or will in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions hereof or of any

constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances will not have the effect of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement will not affect the remaining portions of this Agreement or any part thereof.

h. Interpretation

Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of any gender will be deemed and construed to include correlative words of the other gender. Words importing the singular number will include the plural number and vice versa, unless the context indicates otherwise. All references to any exhibit or document will be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions thereof. All references to any person or entity will be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.

i. Cooperation

The CITY and the CTA agree at all times to use their best efforts to cooperate fully with one another in the implementation of this Agreement.

j. Assignment

Neither the CITY nor the CTA will assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement, or any part hereof, unless approved in writing by the other party. The absence of written consent will void the attempted assignment, delegation or transfer and will render it of no force and effect.

k. Force Majeure

Neither the CITY nor the CTA will be obligated to perform any of its obligations hereunder if prevented from doing so by reasons outside of its reasonable control, including, but not limited to, events of force majeure.

l. Governing Law

This Agreement shall be governed as to performance and interpretation in accordance with the laws of the state of Illinois. The parties agree that any disputes which arise as a result of this Agreement will be heard in a court of competent jurisdiction located in the city of Chicago, Cook County, Illinois.

m. Waiver

No delay or omission by the CITY or the CTA to exercise any right hereunder shall be

construed as a waiver of any such right and the CITY and the CTA each reserve its right to exercise any such rights from time to time as often as may be deemed expedient.

12. Term; Termination

a. **Term**

This Agreement will commence on the Effective Date set forth above and will continue for two years, plus two-year automatic renewal terms unless terminated as set forth below.

b. **Termination**

This Agreement may be terminated by either the CITY or the CTA for any reason upon ninety (90) days written notice sent to the other party in accordance with paragraph 9 hereof.

13. Notices

All notices required under this Agreement will be in writing and sent to the addresses and persons set forth below, as amended. All notices shall be deemed received when (i) delivered personally or (ii) one day after deposit with a commercial express courier specifying next day delivery, with written verification of receipt. Refusal to accept delivery has the same effect as receipt.

IF TO THE CITY:

City of Chicago

Office of the City Clerk

121 North LaSalle Street, Room 107

Chicago, Illinois 60602

Attention: City Clerk

With a copy to:

City of Chicago

Department of Law

121 North LaSalle Street, Room 600

Chicago, Illinois 60602

Attention: Finance and Economic Development Division

IF TO THE CTA:

567 West Lake Street
Chicago, IL 60601
Attn: Director of Revenue

With a copy to:

Karen Seimetz
General Counsel
567 West Lake Street
Chicago, IL 60601

Either party may change its address for receipt of notices at any time by providing written notice to the other party in accordance with this paragraph 13.

14. Authority

a. CTA Authority

Execution of this Agreement by the Chairman of the Chicago Transit Board has been authorized by Ordinance No. 017-84 adopted on September 13, 2017.

b. CITY Authority

Pursuant to Section 2-176-030 of the Municipal Code of the City of Chicago (the "Municipal Code"), the City Clerk of the City of Chicago (the "Clerk") is authorized to enter into intergovernmental agreements with other governmental bodies to increase access for holders of a City of Chicago Muni ID Card to services and privileges managed by those governmental bodies.

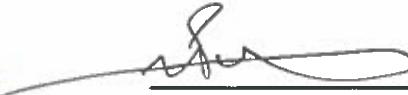
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IN WITNESS WHEREOF, the City of Chicago and the Chicago Transit Authority have caused this Agreement to be executed by their duly authorized officers.

THE CITY OF CHICAGO


Andrea M. Valencia, City Clerk

CHICAGO TRANSIT
AUTHORITY


Terry Peterson, Chairman

Attest:


Gregory P. Longhini, Assistant Secretary

Approved as to legal form and content
On behalf of the CTA:


Legal Counsel

ORDINANCE NO. 017-84

AN ORDINANCE AUTHORIZING AN
INTERGOVERNMENTAL
AGREEMENT WITH THE CITY OF
CHICAGO THROUGH ITS OFFICE
OF THE CITY CLERK FOR THE
PURCHASE AND USE OF OPEN
STANDARDS FARE SYSTEM CARDS
FOR MUNICIPAL IDENTIFICATION
AND FARE PAYMENT

WHEREAS, The City of Chicago, acting through its Office of the City Clerk ("City"), desires to make a government-issued form of identification ("Muni ID Card") available to its residents; and

WHEREAS, The Chicago Transit Authority ("Authority") provides public transportation to the Chicago metropolitan area and has implemented an Open Standards Fare System ("OSFS") that includes Authority-issued fare media cards; and

WHEREAS, The City and the Authority share the desire to increase access to convenient, public transportation for City residents as well as to increase ridership for the Authority; and

WHEREAS, The City and the Authority desire to use the Authority's OSFS fare media card as the medium for the Muni ID Card so that Muni ID Card holders can load transit value or transit passes on their Muni ID Cards, if they so desire, in order to access the Authority's system; and

WHEREAS, The City and the Authority desire to develop and maintain systems and procedures related to use of the Muni ID Cards that fulfill both the City and the Authority's business requirements and that protect the confidential data of both parties and the Muni ID Card holders; and

WHEREAS, Cooperation between and among governmental agencies and entities through intergovernmental agreements is authorized by the Intergovernmental Cooperation Act (5 ILCS 22/1 et seq.); now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute an intergovernmental agreement with the City of Chicago through its Office of the City Clerk for the purchase of fare cards to be used as municipal identification cards which provides for the reimbursement by the City of cards purchased by the Authority, has a two (2) year term with automatic

ORDINANCE NO. 017-84
(Continued) -2

(2) year renewals if not terminated, may be terminated by either party upon ninety (90) days' written notice, and contains such other terms as are substantially in conformance with the intergovernmental agreement regarding the Municipal Identification Card Program attached as Exhibit A hereto.

SECTION 2. The Chairman is further authorized to take such actions and execute such other documents as may be necessary for the implementation of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:


Chairman

September 13, 2017

PASSED:


Assistant Secretary

September 13, 2017